

Does the Euro pose a danger to Democracy?

Poverty will strike without mercy in the coming years

Frisia – *A big majority of households with lower incomes are threatened to get into financial problems as a result of the euro. The past year these families have entered into risky debts. Many people apparently have trouble calculating in euros, and could therefore not assess whether a purchase was cheap or expensive. But isn't it a bit too easy to put the blame on the consumer for something which some economists and financial experts call the greatest monetary disaster ever?*

The 'Nederlandse Vereniging voor Volkskrediet' (NVVK, Dutch Association for People's Credit) announced last Thursday [Nov 7, 2002] during its annual congress, that too many families get into problems as a result of the introduction of the euro. The umbrella organisation for credit suppliers, debt relief work, and budgetmanagement has requested the 'Nationaal Instituut voor Budgetvoorlichting' (NIBUD, National Institute for Budget Information) to carry out a survey on the introduction of the new currency and the financial problems.

According to the NIBUD, last year more money was spent on essential daily purchases as well as on luxury goods, like going out. The main cause, according to the institute, is not the enormous increase in prices itself, but must be found with the consumer himself. To many, it remains difficult to assess whether a certain price in euros for the purchase concerned is high or low.

Moreover, almost a year after the introduction of the new currency, 80 percent of the consumers still converts euros to guilders. And this is coupled with mistakes. Only after arrived home they realize how much they have actually spent.

In total, 350,000 households have, according to what they say, not experienced a financial decline. According to the NIBUD, a direct danger threatens 150,000 households, who this year are for the first time, or more often, in the red. Also people with unpaid bills and those who have contracted a new loan, skate over thin ice.

More than 165,000 households, with a total income below 28,000 euro gross per annum, say that since the introduction of the euro they have less money left to spend on nice things. Some also have broken into their savings. To these, this does not yet lead to problems.

The lower income groups run a greater risk at getting into debts. They usually don't have any or little financial margin, which makes it difficult for them to pay off their debts. One half of this group says they will never get used to the euro, the other half hopes to be able to assess the value of the new currency well in a couple of years.

The poll has shown that 92 percent of all the 4400 questioned households thinks not to be confident with the euro before the end of the year. More than 61 percent even thinks never to get used to the euro. During a previous poll, at the start of this year, this was 12 percent. According to the NIBUD, it is alarming that the thinking in euros has only slightly increased.

The NVVK concludes that more must be done to make the people more aware about the value of the euro. The organisation insists on better information for the so-called vulnerable groups and will start working on this in cooperation with the NIBUD.

Charlotte van der Berg from Liouwerd [Leeuwarden, capital of Frisia] looks at all this with regret. She knows as no other what poverty means. She is partially invalid and a single mother, and receives her monthly pay through social security. “Too much to die of, but too little to live of”, she says. “The worst of all this is that they simply lie to us. Two years ago, when we still had real money, I paid 28 guilders in the supermarket for the same purchases. Now I still buy the same brands and the same purchases, but I now have to pay 18.38 euros [\pm 40 guilders!]. And that is simply unaffordable. That’s why I really get angry when they assert that the euro has not caused an increase in prices. They lie to us to keep te people calm, for the introduction of that damned euro destroys us all. I have a back rent of a couple of months now because my youngest son needed clothing and shoes. I see a gloomy future ahead, and that’s the biggest understatement of the year.

Professor in economics A.C.D Hennekam can’t blame 29-year old Charlotte and a million companions in distress. His wording is even far stronger than hers. “You call me overhere in New York for comment. I would like to start with saying that I’m glad not to be in Europe anymore. The gods be thanked that I don’t have euros in my pocket. At the time I still lived in Holland, I’ve written myself mad to warn the people about the unnecessary and dangerous change in currency. But to no avail. Only a handful of politicians wanted to make themselves immortal and write in the history books. This at the cost of the people who were big in taciturnity. The euro has been pushed through your throats in a very undemocratic way and should never have happened. In our specialised literature I read the other day that in Holland next year more than 2 million people will find themselves about or below the poverty line. Do they realise overthere what that means? I don’t think so, otherwise the people would have reacted methinks.

In our circles it is regarde as so incredibly stupid and uncomprehensible that a country like Holland with a strong currency like the guilder was, changes its currency during a decline in the economy which already started in 1999. One would have expected that in relation to the guilder, the euro would have set itself to 1.60 dollar. But you could have counted it on your fingers, even a politician like that Zalm bloke [minister of finances, a treacherous liberal, nicknamed Stinking Fish: ‘zalm’ = ‘salmon’], that when you allow countries like Spain and Italy to partake, the value then irresponsibly drops. In relation to our money [dollar] you now stand at 90 dollarcents. No wonder, isn’t it, that the cost of living for the common man and below becomes unpayable. Soon, if the Eastblock countries join, and they too will choose for the euro, then brace yourselves. On the market your euro won’t be worth even a guilder. That’s why I (you may cite me freely) have fled to America with my family. I’ve got a top ranking job with a multinational and I’ll serve my time.

Do you know when I would like to return? If that madness of a European uniformity under that disastrous Brussels stops. When the borders return, and especially the euro gets its arse kicked, and the wonderful Dutch currency comes back again. And many with me think exactly the same about this. For that you don’t have to have done a university study. I dare call your politics and the idea of a united Europe life threatening.

Charlotte looks in the mirror. “I must necessarily go to the hairdresser’s, but by God, I wouldn’t know how to pay that. I’ll soon drop in at my mother’s, maybe that she can lend me one month back rent, although she hasn’t much left either”. She feels betrayed by politicians who allowed the

euro in. She searches her purse. A guilder appears. "I still use this one for the supermarket carriage. I can't give it up. It is to be hoped that it will return again", she sighs. "And things turn a bit to normal again. For this way I can't and won't continue my life."
